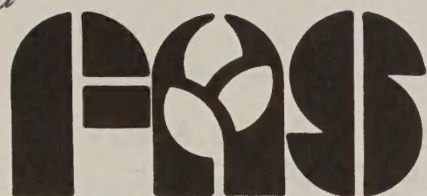


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REPORT

United States
Department of
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Foreign
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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE 4 '83

WR 33-83

WASHINGTON, August 17--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

Reduced barley crop prospects in the EUROPEAN COMMUNITY (EC) could mean less subsidized EC barley exports and more imports for both feed and malting. With barley production preliminarily estimated 10 to 15 percent below last year's harvest of 41 million tons, the EC already has curtailed its early season aggressive export program by cutting its export subsidy level by more than 50 percent in recent weeks. Offers to intervention stocks are running behind last year's pace as farmers are keeping more barley on farms, despite the limited wheat intervention program that means farmers also will have to hold more wheat. The EC normally imports nearly 1 million tons of barley, but lower crop prospects could mean an additional 500,000 tons will be needed for Canadian and Australian malting barley.

GRAIN AND FEED

The CANADIAN Wheat Board recently announced initial payment levels for the various grades of Canadian grain. Base initial payments for No. 1 Canadian Western Red Spring (CWRS) and No. 1 Durum were announced earlier. The 1983/84 effective discounts lowered Canadian feed wheat payment levels nearly 19 percent relative to No. 1 CWRS, compared with last season's 16.5 percent differential. The Canadian Wheat Board had an unusually high proportion of feed wheat to market from the 1982 crop. The 1983 payment differentials and the lower base payment level will give the Canadian Wheat Board added pricing flexibility in marketing 1983/84 wheat supplies. Current projections suggest that Canada may be faced with a record high wheat export availability for 1983/84.

Canadian Initial Payments

Grain	1982/83 \$/MT	Discount Percent	1983/84 \$/MT	Discount Percent
No. 1 CWRS	174.50	--	170.00	--
No. 2 CWRS	168.71	3.4	164.21	3.5
No. 3 CWRS	163.71	6.2	159.21	6.4
No. 1 Canada Utility	159.71	8.5	155.21	8.7
No. 2 Canada Utility	148.71	14.8	144.21	15.2
Canada Feed	145.71	16.5	138.21	18.7
No. 1 Durum	174.50	--	165.00	--
No. 2 Durum	171.71	1.6	162.21	1.7
No. 3 Durum	169.71	2.8	160.21	3.0

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DAIRY, LIVESTOCK AND POULTRY

Milk production in the SOVIET UNION is expected to reach 96.8 million tons during 1983, according to the U.S. agricultural counselor in Moscow. That level is 7 percent above 1982 and 2 percent above the previous record set in 1978. With milk cow numbers at the 1982 level, increased productivity due to more favorable grain and forage supplies is accounting for the increase.

With more milk, production of dairy products is expected to increase rapidly. Production of butter, the major Soviet dairy import item, is estimated at 1.58 million tons, 13 percent above 1982. Cheese production, estimated at 750,000 tons, is expected to be 7 percent above 1982.

Milk production in the UNITED KINGDOM is expected to exceed 18.15 million tons in 1983, according to the U.S. agricultural counselor in London. The 8 percent rise in production over 1982 is due to an increase in cow numbers and a sharp increase in productivity stemming from a mild winter and an early spring, which were favorable to pasture growth.

With considerably more milk being produced and relatively stable fluid consumption, the extra milk is being used for manufacturing purposes--mainly butter and nonfat dry milk (NFDM) whose prices are supported. The counselor estimates that butter production in 1983 will total 275,000 tons, 27 percent above 1982, and that NFDM will total 365,000 tons, 23 percent above 1982.

COFFEE, TEA AND COCOA

Green coffee production in the DOMINICAN REPUBLIC for 1983/84 is forecast at 800,000 bags (60 kg. each), down 20 percent from the 1.0 million bags produced in 1982/83. The decline is mainly attributed to the normal biennial pattern of coffee production. Weather thus far this year has been normal, following a year of excellent rains for flowering and growth. Crop area is believed to have remained unchanged while the tree population declined. Most trees in production are quite old.

SUGAR

In ECUADOR, 1983/84 sugar production is forecast at 150,000 tons (raw value), down 41 percent from 1982/83. The continuation of rains in the coastal areas have caused a two to three-month delay in harvesting. The reduced harvest season of three to four months (compared with the normal six months) is expected to result in a harvested area decrease of 21 percent from 32,000 hectares harvested in 1982/83. Lower sugarcane and lower sucrose yields also are anticipated. Molasses production is forecast at 48,000 tons.

Selected International Prices

Item	:	Aug. 16, 1983	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT		\$ per bu.		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.13/		208.00		5.66		+8.50
U.S. No. 2 DNS/NS: 14%...		188.00		5.12		+5.50
U.S. No. 2 DHW/HW: 13.5%..		N.Q.		--		--
U.S. No. 2 S.R.W.....		172.00		4.68		+9.00
U.S. No. 3 H.A.D.....		209.00		5.69		+8.00
Canadian No. 1 A: Durum..13/		216.50		5.89		+7.00
Feed grains:						
U.S. No. 3 Yellow Corn....		171.00		4.34		+7.00
U.S. No. 2 Sorghum 2/.....		N.Q.		--		--
Feed Barley 3/.....		N.Q.		--		--
Soybeans and meal:						
U.S. No. 2 Yellow.....		351.00		9.55		+42.50
Brazil 47/48% SoyaPellets 4/		299.00		--		+36.50
U.S. 44% Soybean Meal.....		290.00		--		+32.00
U.S. FARM PRICES 5/						
Wheat.....		126.03		3.43		+3.67
Barley.....		102.88		2.24		+11.94
Corn.....		137.00		3.48		+5.51
Sorghum.....		118.39		5.37 6/		+.22
Broilers 7/.....		1199.08		--		-26.23
EC IMPORT LEVIES						
Wheat 8/.....		59.43		1.62		-6.37
Barley.....		52.08		1.14		-8.02
Corn.....		25.06		.64		-4.29
Sorghum.....		58.40		1.48		-5.00
Broilers 9/.....		262.00		N.Q.		-3.00 *
EC INTERVENTION PRICES 11/						
Common wheat(feed quality)		157.56		4.29		+1.66
Bread wheat.(min. quality)		173.60		4.72		+1.50
Barley and all						
other feed grains.....		157.56		--		+1.66
Broilers 11/.....		1058.00		N.Q.		-40.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat 12/.....		25.84		.70		-7.46
Wheat flour.....		N.Q.		N.Q.		N.Q.
Barley.....		19.08		.42		-9.10
Broilers 9/.....		188.00		N.Q.		-2.00 *
Sugar, refined		N.A.		N.A.		N.A.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.O.B. price for R.T.C. broilers at West German border. 12/ Corrective amount Aug. 0, Sept. -3, Oct. -5, Nov. -8, and Dec. -10. 13/ Sept. shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery. *Reflects currency fluctuation and not change in level set by EC.

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